



Wyoming Lender Alert

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June 2005

Steven Despain, District Director

Making a Difference for Small Business in Wyoming

Chris Chopping Named Young Entrepreneur of the Year 2005

The Wyoming District Office of the SBA has named Chris Chopping, owner/operator of Site4Sure.com, the Young Entrepreneur of the Year 2005. On Friday, May 6, 2005, at the Casper Chamber of Commerce Annual Banquet, Steve Despain, District Director, presented Mr. Chopping with this award.

This award is given to an individual who serves as a majority owner and operates or bears principal responsibility for operating a small business with a three year track record and who will not have reached the age of 30 by June 1, 2005. Criteria used to evaluate the nominees for this category is evidence of success as measured by sales and profits; increased employment opportunities; development and or utilization of innovative or creative business methods and demonstrated entrepreneurial potential necessary for long-term business success and economic growth.

The President of the United States recognizes contributions of the small business community to the American economy and society by proclamation each year.

At the turn of the millennium, Mr. Chopping founded Site4Sure.com,

which has grown to be one of Wyoming's leaders in computer and Internet technologies. Site4Sure.com provides a diverse array of services spanning the gamut of information technologies including computer networking, web site design, full web hosting and complete computer sales,

repairs and upgrades for individuals and businesses.

Site4Sure.com first distinguished itself in 2000 when a site it designed, www.crime-stoppers.com, received the third-place award in the world from Crime Stoppers International. Since then, their portfolio has grown, containing nationally known businesses and organizations including Kantex Industries based in Kansas City, MO., and the Alpha Xi chapter of Phi Mu Alpha Sinfonia in Urbana, IL. The Site4Sure.com team of web designers is well versed in many Internet standards including HTML, CSS, PHP, Flash and MySQL. In 2002 they began to expand into the arena of web hosting; to accommodate this expansion Site4Sure.com expanded its office into a new larger location.

Site4Sure.com is dedicated to helping educational programs and helping the community grow; they have built and donated a high quality web site and services maintenance, along with discounted web hosting to the Nicolaysen Art Museum. Other community projects include the Central Wyoming Crime Stoppers and the Casper Humane Society web sites. Site4Sure.com is a member of the Better Business Bureau and the Casper Chamber of Commerce.

SBA National Guaranty Purchase Center SBA Form 1149

SBA requires lenders to provide SBA Form 1149, Lender's Transcript of Account ("TOA"), www.sba.gov/sbaforms/sba1149.pdf or an equivalent

form, with all demands for guaranty purchase of loans. Proper completion of this form is essential for the National Guaranty Purchase Center ("NGPC") to timely process a purchase request. At this time, the NGPC is experiencing numerous problems with lenders not completing the form fully or properly; thereby requiring the NGPC to take more time processing some purchase demands than necessary. Much time is wasted for both the lender and the NGPC through requests for additional information from the lender in order to avoid incorrect interpretations of TOA transactions by the NBPC reviewers. One section in particular that needs lender attention is the section titled "Repayment Terms as Stated in the Note". This section is often not completed by the lender and therefore SBA reviewers are required to make their own determinations as to how payments and transactions are to be applied. Problems also arise when transactions such as deferred payments, interest only payments, and the posting of other payment transactions do not comply with the repayment terms as stated in the Note, and are not accompanied with proper documentation from the lender. For any payment term changes, the NGPC requests that lenders provide, along with their purchase demands, any credit memorandums or other documentation explaining the basis for the change in payment terms. This documentation should always be placed in the loan file at the time any changes to the Note payment terms are made. When compiling the purchase package, please include any Note modifications and/or credit

memorandums to support all transactions listed on the TOA that are not consistent with the terms stated in the Note. Without such documentation, SBA requires that any payments received more than 90 days after an uncured payment default be applied to principal.

Pilot Program

SBA National Guaranty Purchase Center is preparing to run a pilot program to receive some of the guaranty purchase packages on line via a FTP site (an online storage for uploading and downloading files). If you have the capability to scan the purchase package into PDF file format and bookmark each section, and if you are willing to join our center to work together to test this method, please send an email to Nick Liu at nick.liu@sba.gov or call him at 703-487-9297. Thank you for your assistance

Short Term Loans

SBA considers loans of 12 months or less, Short Term Loans. SBA's guaranty on these loans are greatly reduced an only 1/4%. On all short term loans this guaranty fee MUST be submitted WITH the application. Example: \$100,000 loan for 11 months could get a guaranty of 75%. The fee that must come in with the loan application is: \$187.50 (calculated \$100,000 X 75% X .25%).

Refunds on guaranty fees on short term loans are limited and are available only: 1.) prior to SBA approval 2.) If SBA declines to guarantee the loan or 3.) within 30 days of approval if SBA's terms (as modified) are unacceptable to the Lender.

SBA Loans Allowed to For-Profit Subsidiaries of Not-For-Profit Organizations, Including Faith-Based Organizations

This clarifies the eligibility of certain for-profit subsidiaries of not-for-profit organizations, including community and faith-based organizations, for financial assistance

under these U.S. Small Business Administration (SBA) loan programs: 7(a); Certified Development Company (CDC); and, Microloan. (See 13 Code of Federal Regulations (CFR) § 120.110 (a)).

When Executive Order 13342, was signed by the President on June 1, 2004, the SBA was, among other things, directed to incorporate community organizations, including faith-based organizations, into the Agency's programs and initiatives to the greatest extent legally possible. As a result of that Order, SBA began working with its technical assistance grant recipients, including Service Corps of Retired Executives (SCORE), Women's Business Centers, and Small Business Development Centers, to extend their technical assistance programs to not-for-profit organizations, including faith-based organizations. The Agency is now clarifying that for-profit subsidiary companies of community and faith-based organizations may be eligible for SBA financial assistance.

All SBA borrowers must meet certain eligibility requirements, which are set forth in the Agency's regulations, found in subpart A of 13 CFR Part 120. These regulations also prohibit SBA loans to several types of businesses, including not-for-profit businesses or businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting.

However, for-profit subsidiaries of not-for-profit organizations (including community groups and faith-based organizations) that meet the Agency's eligibility requirements, including SBA's size standards, are eligible for financial assistance under SBA's 7(a), CDC and Microloan programs, so long as these subsidiaries are not principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs.

Questions regarding this notice may be forwarded to Charles.Thomas@sba.gov on (202) 205-6656 or Joseph.Shattan@sba.gov on (202) 205-7316.

Top ten Mistakes for 504 Submissions

The Sacramento 504 Processing Center advises that frequently occurring problems delaying loan approval are as follows:

1. Form 1244, www.sba.gov/sbaforms/sba1149.pdf, is not signed by all borrowers and guarantors.
2. Project cost numbers on the 1244 do not match the purchase contract, construction estimate or equipment bids in file.
3. Credit reports are over 90 days old.
4. The application is missing historic seller financials for projects involving a business purchase or change of ownership and reliance is on seller's established business cash flow for repayment ability.
5. Ownership in other businesses is evident on the personal tax returns or the personal financial statement but no affiliate analysis has been performed and no financial information for identified affiliates has been provided.
6. Incomplete or missing franchise documents including the change/no change certificate for franchises on the National Franchise Registry.
7. Third party lender letter is missing, does not indicate terms of the proposed financing or the amounts do not match what is being used in the 1244 and authorization.
8. Funds for project injection are not evident on the business balance sheet, personal financial statement or purchase contract and there is no explanation as to the source.
9. Loan authorization not submitted concurrently with the application.
10. Form 912, Statement of Personal History, www.sba.gov/sbaforms/sba912.pdf is incomplete.

SBA Helps Open a New One-Stop Web Gateway for Small Business at Business.Gov

With so many agencies serving business, it can be confusing and time

consuming to determine which agency is the right source of information. So we're making things simple by creating a one-stop shop for all things business: www.Business.gov. This Web site is part of our continual efforts, and those of the President, to ensure a citizen-centered, result-oriented, and market-based government for our fellow Americans.

If you haven't already, take a moment to peruse the site, which we're hailing as the new official business link to the U.S. government. You'll notice that you can look for information in a variety of ways: region, industry, topic of interest, or business cycle (Launching, Managing, Growing, or Getting Out). We've tried to group things thematically for easiest access by the consumer and it doesn't take long to uncover some interesting features. You can learn about everything from taxes to business law to youth entrepreneurs. There's a guide to doing business in China, one on how to sell to the government, and another on writing warranties. You can research leadership, business ethics or tradeshow marketing. And you can sign up for roundtables or a mentor. Business.gov compliments our efforts nicely by blending together the resources of over 40 Federal agencies that assist and regulate American businesses, large and small alike.

All in all, www.Business.gov is a fantastic site. I am proud that the SBA is taking a role in its development.

Although SBA will manage Business.gov, the site is a collaborative effort of executive departments, independent agencies and government corporations including the Departments of Commerce, Energy, Health and Human Services, Homeland Security, Interior, Justice, Labor, Transportation, the Environmental Protection Agency, General Services Administration, and the Social Security Administration. At the SBA, I would particularly like to thank Justin Van Epps, Dave Sawyer, Mardel Hall, Pat Cavanaugh, Bonnie Friedman, Jim O'Connor, Jonathan Jones, Laura Fox, Ethel Matthews, Richard Coffee, Adjoa Cathcart, and Kirk McElwain, who have been

instrumental in putting together Business.gov.

Our goal is to serve businesses on their terms by providing user-friendly information at the right time in the right format. I am convinced that the government can better serve the American people if we work together toward that goal. Business.gov is a superb realization of cooperative governance. I encourage you to let the public know about this r

Wyoming Summit Award

The Wyoming Council for Women's Issues, Wyoming Department of Family Services, the Wyoming Business Council, the Wyoming Department of Workforce Services and the Wyoming Business Alliance are sponsoring the Wyoming Summit Award. The award recognizes businesses that have successfully instituted programs or policies that broaden, strengthen and support their workforce. The intent is to recognize those who have made employment conditions better in one or more of the following areas:

- Broadening the workforce – programs and policies should enable the business to progress toward and equitable and diverse workforce from under represented populations
- Strengthening the workforce – programs and policies should promote wages that compare to regional or national averages for similar jobs and the wage disparity between men's and women's wages should be nonexistent
- Supporting the workforce – programs and policies should demonstrate efforts to satisfy employees (single individuals or otherwise) and their families needs for flexible schedules, day care for children or elders, and any other service that would minimize the stresses of balancing the demands of work and family obligations and increase employee productivity.

This award is given annually. Nominations are open January 1 –

July 31st of each year. Nominations should be submitted to the Wyoming Council for Women's Issues (WCWI) and person(s) submitted nominations will receive acknowledgement of receipt from the WCWI by email. If notification by regular mail is preferred, please submit a stamped, self addressed postcard with the nomination package. Please contact the WCWI c/o Wyoming Business Council, 214 West 15th St, Cheyenne, WY 82002 to obtain a nomination form or for further information.

UPCOMING EVENTS

June 1 – Procurement Workshop, Laramie

June 1 – Women's Roundtable, Casper/Dubois

June 4 – Meet the Press WY Style, Casper College

June 7 - Women's Roundtable, Jackson

June 7-9 – Bank Training, Rock Springs

June 9 – Women's Roundtable, Laramie

June 16 - Women's Roundtable, Powell

June 21 - Women's Roundtable, Cody

June 27-29 – Bank Training, Cheyenne

SBA HOME PAGE

www.sba.gov

SBA's CUSTOMIZED SITE FOR WYOMING

www.sba.gov/wy